

Message Text

LIMITED OFFICIAL USE

PAGE 01 LAHORE 00342 281300Z

51

ACTION NEA-05

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /013 W

----- 066378

R 280752Z FEB 74

FM AMCONSUL LAHORE

TO USDOC WASHDC

INFO AMEMBASSY ISLAMABAD

AMCONSUL KARACHI

SECSTATE WASHDC 9907

LIMITED OFFICIAL USE LAHORE 0342

E.O. 11652: N/A

TAGS: BEXP, PK

SUBJECT: TRADE COMPLAINT: ZAMINOS (PAKISTAN) LIMITED

1. IRSHAR ULLAH KHAN, CHAIRMAN OF ZAMINOS (PAKISTAN) LIMITED, WAPDA HOUSE, LAHORE, CALLED AT CONGEN FEB 26 TO COMPLAIN THAT U.S. COMPANY APPARENTLY TRYING TO BACK OUT OF SALES CONTRACT AMOUNTING TO NEARLY TWO HUNDRED MILLION DOLLARS. U.S. PARTY CONCERNED IS MR. R.B. GLENN, WHO IS DEALING WITH ZAMINOS VIA J.D. ARCY, VICE PRESIDENT OF THE FIRST NATIONAL BANK OF CHICAGO, ILLINOIS, (TELEX 253551 ANSWER BACK FNCB/MT/CGO).

2. IRSHAD ULLAH KHAN CLAIMS THAT GLENN CONFIRMED SUPPLY OF 5 MILLION MT PORTLAND CEMENT BSS 12/1958 AT \$39.75 PER TON C&F TO VARIOUS PUBLIC AND PRIVATE FIRMS IN COUNTRIES LISTED IN PARAGRAPH 5 BELOW. CONFIRMATION WAS RECEIVED IN LAHORE ON JAN 15 BY TELEX FROM GLENN. ZAMINOS CLAIMS SAME QUOTATION WAS RECONFIRMED TO IRSHAD ULLAH KHAN IN BEIRUT, LEBANON, BY TELEX WHICH REACHED HIM THERE FEB 13. (KHAN HAS JUST RETURNED TO LAHORE FROM A 20-DAY STAY AT HOTEL PHOENICIA, BEIRUT, WHERE HE WENT TO NEGOTIATE RESALE OF CEMENT).

3. KHAN SAYS HE SENT PRE-ADVISES CODED "GLENN - EDFAYCO-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAHORE 00342 281300Z

ZAMINOS" DIRECTLY TO FNCB. KHAN'S CUSTOMERS ESTABLISHED

BANK-CONFIRMED PRE-ADVISES DATED BETWEEN 15-23 FEB IN FAVOR OF GLENN FOR TOTAL OF 5 MILLION TONS CEMENT. THEY WERE SENT TO FNCB AFTER KHAN RECEIVED UNDERTAKING FROM GLENN THAT ZAMINOS COMMISSION WOULD BE PROTECTED.

4. KHAN NOW TELLS US LATEST COMMUNICATION FROM GLENN INDICATES THAT PRE-ADVISES HAVE NOT REACHED FNCB. ON OTHER HAND, ZAMINOS BANKERS CONFIRM HAVING SENT PRE-ADVISES. BECAUSE GLENN HAS NOT RECEIVED PRE-ADVISES, HE APPARENTLY WILL NOT SEND PERFORMANCE BOND TO ZAMINOS. THIS HAS CONCERNED KHAN, WHO NOW FEARS GLENN MAY TRY TO SNARE KHAN'S COMMISSION OR BACK OUT OF TRANSACTION ENTIRELY.

5. FYI ONLY: IRSHAD ULLAH KHAN IS YOUNG, AGGRESSIVE SELF-PROMOTER, WHO HAS BEEN KNOWN TO CONGEN FOR PAST TWO YEARS. HE HAS BEEN REMARKABLY SUCCESSFUL IN SOME PROJECTS, BUT HAS MORE THAN ONCE FALLEN ON HIS FACE. (ONE REASON HE IS LOOKING FOR BUSINESS OUTSIDE PAKISTAN IS THAT HE ATTACKED LOCAL GOVERNMENT STRONGLY FOR 1973 NATIONALIZATION OF FERTILIZER DISTRIBUTION SYSTEM, AND IS CURRENTLY OUT OF FAVOR, EVEN THOUGH HIS PARTNER IS CLOSELY RELATED TO PUNJAB CHIEF MINISTER.) KHAN TOLD US THAT ALL COMMUNICATIONS REGARDING CEMENT TRANSACTION HAVE BEEN BY TELEX OR TELEPHONE. HE SAYS HE DOES NOT KNOW NAME OF GLENN'S COMPANY, BUT WENT AHEAD WITH NEGOTIATIONS IN BELIEF THAT FNCB WAS RELIABLE CONDUIT. HE CLAIMS TO HAVE ALREADY SOLD CEMENT TO CUSTOMERS IN ARABIAN GULF STATES, EGYPT, LIBYA, PHILIPPINES AND SAUDI ARABIA, AT VARYING PRICES ABOVE GLENN FIGURE OF \$39.75. (IF TRUE, KHAN STANDS TO PROFIT BY SOMETHING MORE THAN \$7.5 MIWXION.) WHILE ENORMITY OF POTENTIAL PROFIT MAY EXPLAIN KHAN'S NERVOUSNESS ABOUT DEAL, WE FRANKLY SMELL FISH SOMEWHERE, BUT CAN'T PUT OUR FINGERS ON IT. END FYI.

6. ACTION REQUESTED: NONETHELESS, IN VIEW OF POTENTIAL EXPORT EARNINGS BENEFITS TO U.S.N REQUEST USDOC CONTACT AMERICAN PARTIES TO ASCERTAIN STATUS OF TRANSACTION. KHAN TOLD US HE ALSO HAD "CONTACT" IN U.S. WHO WAS INTERESTED IN CASE: EDWARD J. FAY, PRESIDENT OF EDWARD J. FAY AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LAHORE 00342 281300Z

ASSOCIATES, INC., 238 ESPERSON BUILDING, HOUSTON, TEXAS 77002; TEL: 713-688-9367; TELEX 77-5655; TELEGRAMS: EDFAYCO.
KING

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAHORE00342
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LAHORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974023/aaaaaclu.tel
Line Count: 111
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 AUG 2002 by elyme>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE COMPLAINT: ZAMINOS (PAKISTAN) LIMITED
TAGS: BEXP, PK
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005